



Environmental Management Consolidated Business Center (EMCBC)

Subject: Consolidated Business Center Acquisition Advisory Board (CBCAAB)

Implementing Procedure

APPROVED: (Signature on File)

EMCBC Director

ISSUED BY: Office of Financial Management

GENERAL REVISION

1.0 **PURPOSE**

The purpose of this procedure is to establish the Environmental Management (EM) Consolidated Business Center Acquisition Advisory Board (CBCAAB), for the review and/or approval of Critical Decisions (CDs) and Baseline Change Proposals (BCPs) for projects managed, overseen and/or delegated by EM-1 to the CBC Director.

2.0 **SCOPE**

The scope of this procedure includes all actions that require Acquisition Executive authority per the authority delegated to the EMCBC Director. These actions include but are not limited to Critical Decision disposition, Performance Baseline (PB) deviations, proposed PB changes and associated modifications to or other actions taken on impacted contracts.

3.0 **APPLICABILITY**

This procedure applies to all capital asset projects managed and/or overseen by the CBC Director with a total project cost less than \$100M, per delegation of authority granted by EM-1. This delegation grants decision authority to the CBC Director for:

- Critical Decisions for Capital Asset Projects
- Baseline change actions for Capital Asset Projects
 - Budget planning and allocation for Capital Asset Projects
 - Performance Incentives
 - Direction to contractors affecting EM baselines
- Other project submittals subject to Acquisition Executive (AE) approval

Any action taken from the decisions listed above that result in potential contract modifications need to be coordinated with the Contracting Officer (CO) who is solely authorized to execute such changes as specified in the Federal Acquisition Regulation, Part 1.602-1. Coordination with the CO is described in the following sections of this Procedure and is graphically represented in the flow chart included at the end of this procedure. Review and approval of contract actions is subject to the limitations of delegated contracting authority and EMCBC Procedure IP-540-15, Review and Approval of Proposed Sales, Procurement, Financial Assistance and Subcontract Actions.

4.0 **REQUIREMENTS & REFERENCES**

- 4.1 DOE O 413.3B, Program and Project Management for the Acquisition of Capital Assets, November 29, 2010.
- 4.2 *Delegation of Acquisition Executive Authority for Capital Asset Projects at Small Sites*, Memorandum from Ines R. Triay, Assistant Secretary for Environmental Management, to Jack R. Craig, Director, CBC, dated February 25, 2011
- 4.3 *Environmental Management Policy on Managing Contract Changes for Capital Projects and Operations Activities*, Memorandum for Distribution from Dae Y. Chung, Principal Deputy Assistant Secretary for Environmental Management, dated March 10, 2011
- 4.4 EM Process for the Integration of Contract and Project Management Changes, Final, dated June 5, 2008 (attachment 2 to Requirement 4.3 above).
- 4.5 EMCBC Policy PS-413.3A, Program and Project Management for the Acquisition of Capital Assets, Rev. 1 dated August 16, 2007.
- 4.6 EMCBC Procedure IP-540-15, Review and Approval of Proposed Sales, Procurement, Financial Assistance, and Subcontract Actions, Rev. 1 dated June 27, 2008
- 4.7 EMCBC Procedure IP-540-09, Cost and Price Analysis Support for Financial Assistance and Post-Award Contracting Actions, Rev. 1, dated September, 29, 2008
- 4.8 *Environmental Management Head of Contracting Activity Implementation*, Memorandum from J. E. Surash, Deputy Assistant Secretary for Acquisition and Project Management, to Ralph E. Holland, Assistant Director for Contracts EMCBC, dated December 4, 2007
- 4.9 *Issuance of Updated Environmental management Head of Contracting Activity (EM HCA) Delegation Thresholds*, Memorandum for Distribution from J. E. Surash, Head of Contracting Activity Office of Environmental Management, dated October 6, 2008.
- 4.10 *Clarification to Issuance of Updated Environmental Management Head of Contracting Activity (EM HCA) Delegation Thresholds*, Memorandum from J. E. Surash, Head of Contracting Activity Office of Environmental Management, to Ralph E. Holland, Assistant Director for Contracts EMCBC, dated April 16, 2010.

5.0 **DEFINITIONS & ACRONYMS - NOT APPLICABLE**

6.0 **RESPONSIBILITIES**

- 6.1 Chair Person

- 6.1.1 Serve as the Acquisition Executive (AE) for projects delegated by EM-1;
 - 6.1.2 Establish the CBCAAB;
 - 6.1.3 Chair the CBCAAB meetings;
 - 6.1.4 Make the final decision for Critical Decisions per delegation authority;
 - 6.1.5 Approve Baseline Change Proposals per delegation authority;
 - 6.1.6 Assign action items which may result from meeting discussions;
 - 6.1.7 Disposition all requested CD and BCP actions (the AE may disposition an action without conducting a formal CBCAAB meeting by signing the Disposition Memorandum or equivalent);
 - 6.1.8 Assure that CBCAAB members fulfill their responsibilities; and
 - 6.1.9 Sign Disposition Memoranda, or equivalent.
 - 6.1.10 Assure that alignment between baseline and contract will be maintained prior to approving actions identified herein.
- 6.2 Permanent Members
- 6.2.1 Attend CBCAAB meetings, or provide a knowledgeable alternate who has the authority to provide advice to the Office Director/CBCAAB Chairperson;
 - 6.2.2 Review, comment and resolve issues on the CD or BCP package prior to the meeting with particular emphasis on the functions for which the member has primary responsibility, including coordinating with appropriate DOE Headquarters functional organizations, if necessary; and
 - 6.2.3 Assure that environment, safety, health, quality assurance and security requirements are met for all CD and BCP actions.
 - 6.2.4 Assure that alignment between baseline and contract is maintained.
- 6.3 Advisory Members
- 6.3.1 Attend CBCAAB meetings; and
 - 6.3.2 Review and comment on CD and BCP actions.
- 6.4 Ad Hoc Members
- 6.4.1 Attend CBCAAB meetings, as requested by the Office Director/CBCAAB Chairperson; and
 - 6.4.2 Review and comment on CD and BCP actions, as requested by the Office Director/CBCAAB Chairperson.
- 6.5 Site Manager/Federal Project Director (FPD)
- 6.5.1 Review the CD or BCP package for completeness, review the CD or BCP package for completeness, provide comments if any, endorse (or concur) as appropriate with the proposed action, and process the action through the CBCAAB Secretariat in a timely manner;
 - 6.5.2 Prepare a draft BCP in the EM Integrated Planning, Accountability and Budgeting System (IPABS) Change Request Tool module;
 - 6.5.3 Respond to questions, comments, and requests from CBCAAB members in a timely manner;
 - 6.5.4 Prepare and present the CD/BCP briefing to the CBCAAB;
 - 6.5.4 Coordinate responses and briefings with CBC support offices, if necessary;

- 6.5.5 Provide the CBCAAB Secretariat with a Project Office point of contact for each CD/BCP action;
- 6.5.6 Brief the Office Director/CBCAAB Chairperson prior to the CBCAAB meeting;
- 6.5.7 Prepare the Disposition Memorandum, or equivalent;
- 6.5.8 Review and revise the Project Watch List, or equivalent, as necessary;
- 6.5.9 Provide a list of projected CD and anticipated BCP actions for the upcoming Fiscal Year by the end of September; and
- 6.5.10 Assure that a Project Office CBCAAB equivalent process is in place and that all CDs and BCPs are processed through that system before being sent to the CBCAAB for review and disposition.
- 6.5.11 Coordinate baseline changes with the assigned Contracting Officer to assure alignment with contract is maintained.

6.6 CBCAAB Secretariat

- 6.6.1 Administer the CBCAAB process;
- 6.6.2 Schedule all CBCAAB meetings for the Office Director/CBCAAB Chairperson;
- 6.6.3 Distribute copies of the CD or BCP package and/or other briefing materials to all CBCAAB members, when necessary, for review and comment;
- 6.6.4 Receive and record all HQ requested and approved CD/BCPs in the Board Activity Log;
- 6.6.5 Maintain a repository of all CBCAAB documents;
- 6.6.6 Brief the Office Director/CBCAAB Chairperson on the CD/BCP, if requested
- 6.6.7 Attend all CBCAAB meetings, and record and distribute minutes of each meeting;
- 6.6.8 Document disposition of CBCAAB actions via published meeting minutes;
- 6.6.9 Distribute copies of the CD/BCP Disposition Record Form to all CBCAAB members;
- 6.6.10 Distribute Disposition Memoranda, or equivalent, when required;
- 6.6.11 Coordinate and transmit all CBCAAB-endorsed CDs and/or BCP requests to EM-11 (Office of Project Assistance and Assurance), for those change requests that are outside the CBC Director's delegated authority; and
- 6.6.12 Provide assistance to the FPDs in processing the CD/BCP package through the CBCAAB system.

7.0 GENERAL INFORMATION – NOT APPLICABLE

8.0 PROCEDURE

The objective of this procedure is to ensure that informed, objective, timely, and documented Critical Decisions (CD) and Baseline Change Proposal (BCP) decisions are consistent with the expectations of and direction provided by the Assistant Secretary for Environmental Management (EM-1) as described in the Requirements section of this

procedure. This procedure is graphically described by the Process Flow Diagram for the CBCAAB that is included at the end of this procedure.

This procedure provides protocols to ensure that decisions:

- Are documented in a formal and auditable manner before resources are committed;
- Are consistent with the requirements described in Section 3.0;
- Augment the requirements to manage budget changes to the EM life cycle baselines as delineated through the Project Baseline Summary (PBS);
- Ensure necessary realignment of funds between PBSs; and
- Provide integration of Project Management and Contract Management changes.

The CBCAAB is an advisory board (not a voting board) to the CBC Office Director/CBCAAB Chairperson who has the authority and responsibility of approving or disapproving CDs and BCPs within delegated authority. The CBCAAB will consist of the following members/advisors.

Chair	CBC Office Director
Permanent Members	CBC Assistant Director for Financial Management CBC Assistant Director for Cost Estimating & Analysis CBC Assistant Director for Contracting
Advisory Members	CBC Assistant Directors, Site Managers and/or Federal Project Directors, Contracting Officers
Ad Hoc Members	Other CBC staff, as requested by the Office Director
Secretariat:	CBC Director, Project Management, Planning & Controls Division, Office of Financial Management or Designee

8.1 Project Management Change Control Process

8.1.1 Federal Project Director

8.1.1a Regularly monitor contractor performance. Request external peer review of project (e.g., Independent Project Review [IPR] or External Independent Review [EIR]) if needed to assess the projects overall risk in achieving baseline objectives.

8.1.1b Evaluates the action. If the action applies to a Capital Asset Project proceed to step 8.1.1c below. Notify the Contracting Officer to determine if the action will result in a contract change. If the action involves a contract change, proceed to Step 8.2 (Contract Change Process).

8.1.1c If the action represents a Critical Decision (CD) review, prepare the appropriate CD prerequisite documents in accordance with all DOE and EM requirements. Prepare presentation materials required for the CD meeting of the CBCAAB. Forward the completed CD documents and presentation materials to the CBCAAB Secretariat for distribution to the Board.

8.1.1d If the action represents a change to the Performance Measurement Baseline and the BCP authority defined in the Performance Evaluation Plan (PEP) resides with the EMCBC Director; prepare the baseline change control action documentation (scope and schedule changes and IGCE) and presentation materials required for the baseline change meeting of the CBCAAB. Forward the completed change request and presentation materials to the CBCAAB Secretariat for distribution to the Board.

NOTE: Refer to CBC procedure IP-540-09 (Cost and Price Analysis Support for Financial Assistance and Post-Award Contracting Actions) for further details regarding the type(s) of cost reviews required for changes that are either within or outside of scope defined in the approved Performance Work Statement (PWS) and/or the approved Performance Management Baseline (PMB). This procedure describes cost and pricing analyses performed by both the EMCBC Office of Cost Estimating and Analysis and the EMCBC Office of Contracting.

8.1.2 CBCAAB Secretariat

8.1.2a Review CD or BCP input from the FPD/Site Manager for completeness.

8.1.2b At least one week prior to scheduled CBCAAB meeting, distribute agenda and documentation for review by Board members.

8.1.2c At least one day prior to scheduled CBCAAB meeting, brief the CBCAAB Chair on the agenda, participants, issues and evaluation of the requested changes.

8.1.2d Document results of CBCAAB meeting and distribute as appropriate.

8.1.2e If CBCAAB meeting results in a decision requiring HQ level approval authority; submit input to HQ for approval.

8.1.3 CBCAAB Chair

8.1.3a Conduct the CBCAAB meeting. Receive briefing from FPD; discuss and evaluate proposed actions; determine AE decision (if Chair is acting as AE) or the Chair's recommendation (for actions exceeding local AE authority).

8.1.3b When appropriate, issue preliminary approval of BCP pending successful contract negotiation.

8.1.3c Issue final approval of BCP at the conclusion of the contract negotiation process.

8.2 Contract Change Process

8.2.1 Contracting Officer

8.2.1a Discuss potential project changes with FPD and determine if contract change will be required (e.g., Equitable Adjustment, Change Order, or Request for Change Proposal). Conversely, assure that FPD is aware of all potential contract changes allowing for evaluation of impact on baseline.

8.2.1b Request cost estimate per the requirements described in IP-540-09, Cost and Price Analysis Support for Financial Assistance Actions and Post-Award Contract Actions and summary description of change. Coordinate this information request with the FPD.

8.2.1c After appropriate review by the IPT, obtain procurement requisition including Statement of Work (SOW), cost estimate, schedule, and confirmation that sufficient funding is available, and submit package to CBCAAB Secretariat for distribution to the Board.

8.2.1d After review by the CBCAAB and approval by the appropriate approval authority, complete the procurement requisition and issue RFP if required.

8.2.1e Upon receipt of the Request for Equitable Adjustment (REA)/Proposal from the contractor, transmit the package to the FPD and request completion of the Technical Evaluation. Also transmit the REA/Proposal to the Cost and Price Analysts and request completion of the Cost/Price Analysis Report (PAR).

8.2.1f Request Legal review of REA/Proposal prior to negotiation of contract modification, if required by EMCBC procedure IP-540-15.

8.2.1g If the FPD or the Cost/Price Analyst, after technical review of the REA/Proposal package, informs the Contracting Officer that the package is not complete, if there are inaccuracies, or if the package does not meet specified requirements, the CO will reject the package and notify the contractor of deficiencies.

8.2.1h Upon receipt of the final PAR and Technical Evaluation Package from the FPD, obtain required contract modification documents. Evaluate procurement thresholds and submit request for review and approval to the appropriate approval authority.

8.2.1i If significant issues arise during the contract negotiation process that impact the decisions made by the CBCAAB, notify the FPD and CBCAAB Chair to determine resolution. If issues are not resolved within the thresholds of the original decision, re-enter the process from the beginning.

8.2.1j Upon successful negotiation of the REA, advise the FPD of the results and finalize the contract modification. Transmit final contract modification to the contractor for signature.

8.2.2 Federal Project Director

8.2.2a Discuss potential project changes with CO and determine if contract change will be required (e.g., Equitable Adjustment, Change Order, or Request for Change Proposal).

8.2.2b Define the scope of the potential change, including any required revisions to the Statement of Work.

8.2.2c Obtain Independent Government Cost Estimate (IGCE), if required.

8.2.2d Oversee and participate in the completion of the Technical Evaluation of the contractor's proposal received from the Contracting Officer. Review the Technical Evaluation Package for accuracy and completeness. Resolve any comments or questions with technical staff. Sign and date the Technical Evaluation Package and transmit to the CO.

8.2.2e Participate in contract modification negotiations at the request of the CO.

8.2.3 Cost/Price Analyst

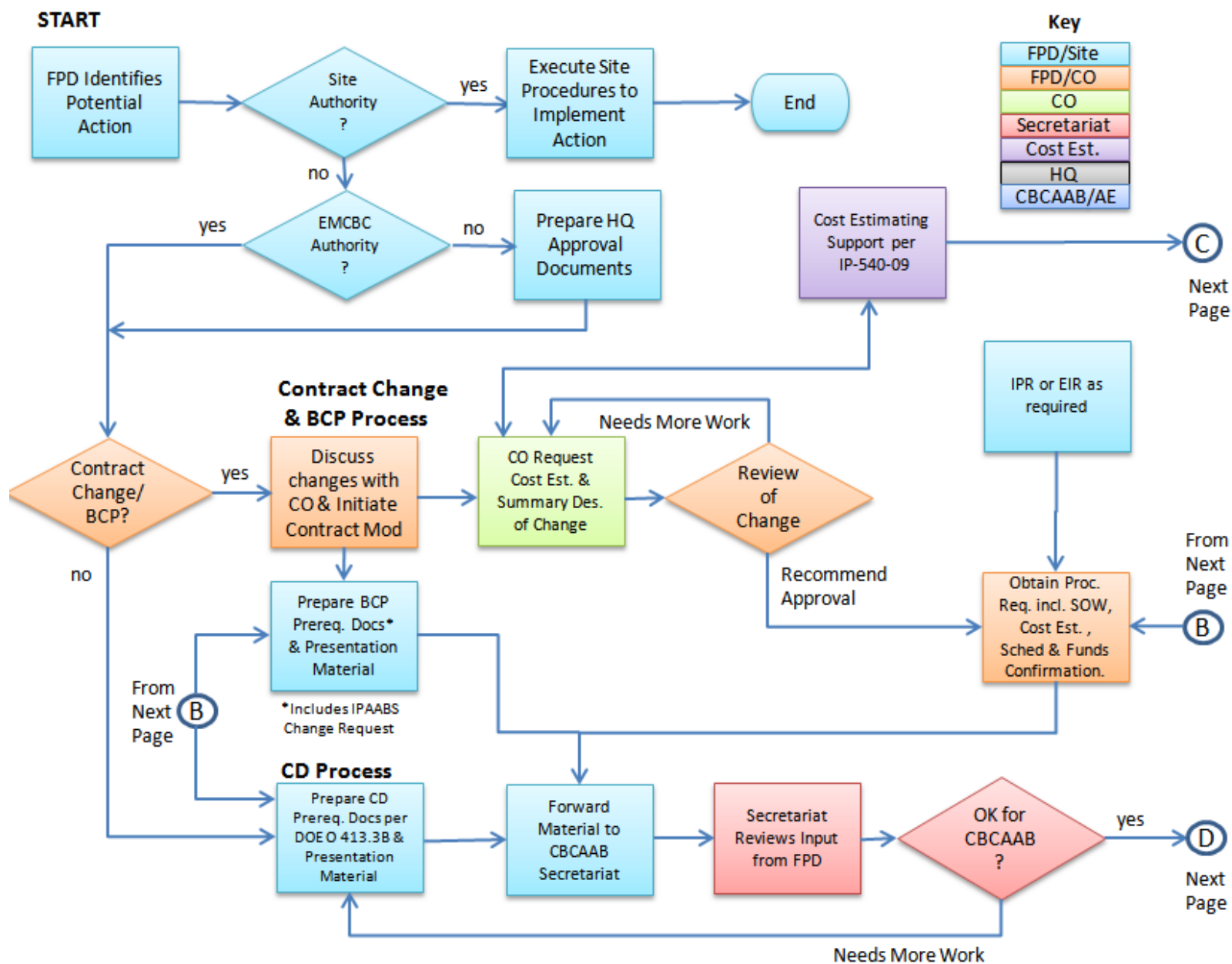
8.2.3a Obtain IGCE as requested by FPD from the EMCBC Office of Cost Estimating and Analysis.

8.2.3b Review available information, consult with the cognizant auditor (normally the Defense Contract Audit Agency [DCAA]), and formally request an audit, if necessary.

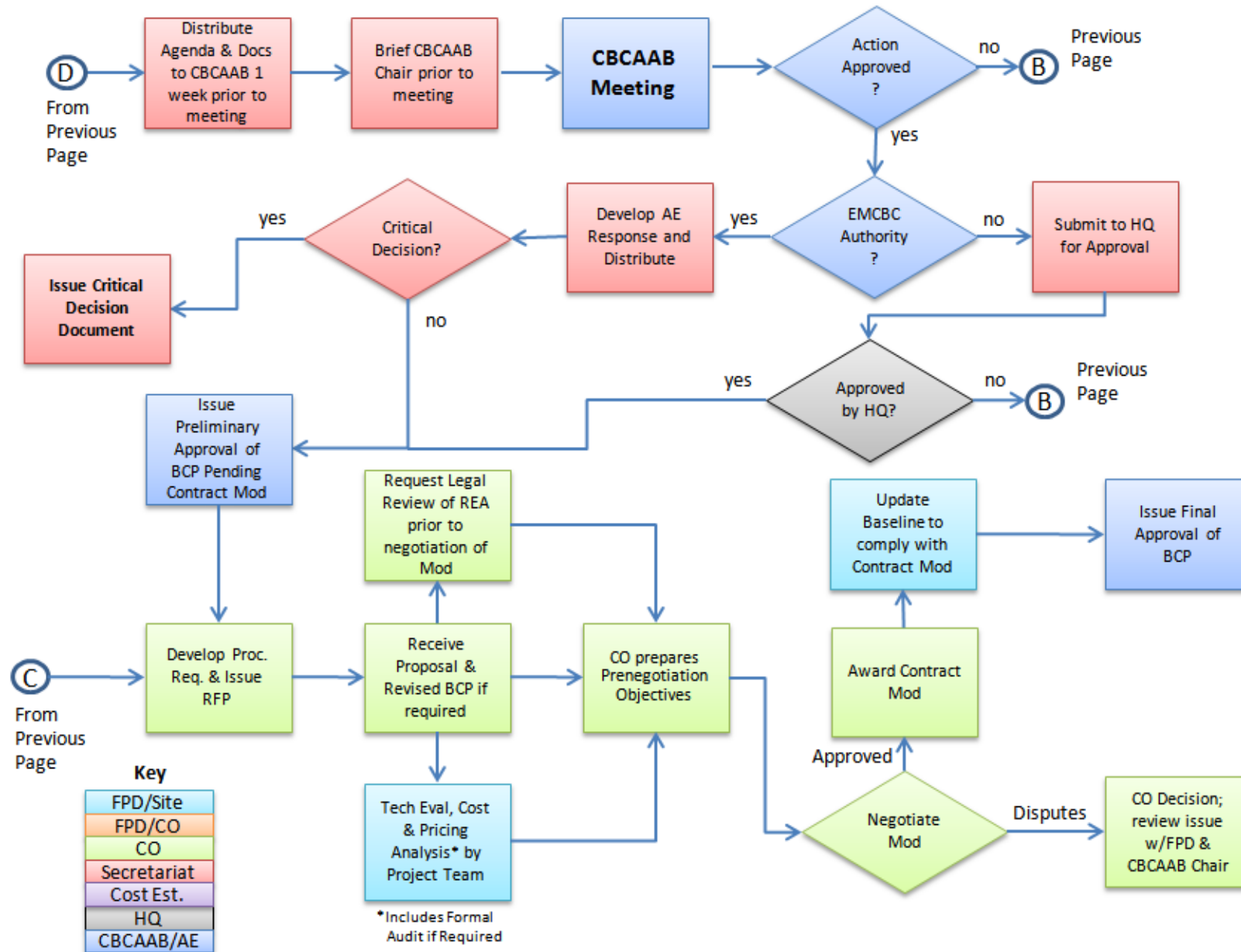
8.2.3c Using the Technical Evaluation Package prepared by the FPD/IPT and, where applicable, the DCAA audit report, perform cost/price analysis in accordance with applicable standards. Prepare Cost/Price Analysis Report (PAR) and submit final PAR and Technical Evaluation Package to FPD for review.

9.0 RECORDS MAINTENANCE

Records generated as a result of implementing this document include Board meeting minutes; AE Disposition memoranda, CBCAAB Activity Log, CD/BCP Disposition Record Form.



Process Flow for IP-413.3B CBCAAB



Process Flow for IP-413.3B CBCAAB

EMCBC RECORD OF REVISION**DOCUMENT TITLE:** IP-413.3B Rev 2 CBC Acquisition Advisory Board

If there are changes to the controlled document, the revision number increases by one. Indicate changes by one of the following:

- I** Placing a vertical black line in the margin adjacent to sentence or paragraph that was revised.
- I** Placing the words GENERAL REVISION at the beginning of the text.

<u>Rev. No.</u>	<u>Description of Changes</u>	<u>Revision on Pages</u>	<u>Date</u>
1	Initial Procedure	All	8/16/07
2	GENERAL REVISION, Update for DOE O 413.3B and AE Delegation to CBC Director	All	5/26/11